

**REPORT OF THE AUDITOR OF PUBLIC ACCOUNTS
AGREED-UPON PROCEDURES ENGAGEMENT
OF THE
LETCHER COUNTY
PROPERTY VALUATION ADMINISTRATOR**

**For The Period July 1, 2004
Through June 30, 2005**



**CRIT LUALLEN
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CRIT LUALLEN
AUDITOR OF PUBLIC ACCOUNTS

Independent Accountant's Report

John R. Farris, Secretary, Finance and Administration Cabinet
The Honorable Randy Hall
Letcher County Property Valuation Administrator
Whitesburg, Kentucky 41858

We have performed the procedures enumerated below, which were agreed to by the Letcher County Property Valuation Administrator (PVA), solely to assist you with the accountability for statutory contribution receipts and disbursements, including capital outlay disbursements, city government receipts, recordkeeping, and leases and contracts for the period July 1, 2004 through June 30, 2005. This engagement to apply agreed-upon procedures was performed in accordance with attestation standards established by the American Institute of Certified Public Accountants. The sufficiency of the procedures is solely the responsibility of the Letcher County PVA. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

Our procedures and findings are as follows:

1. Procedure -

Determine if the PVA has a receipts ledger, a disbursements ledger, and reconciles bank records to books each month. Re-perform the year-end bank reconciliation (June 30, 2005), to determine if amounts are accurate.

Finding -

Receipts and disbursements ledgers were maintained and bank reconciliations were completed each month. The year-end bank reconciliation was accurate.

2. Procedure -

Compare recorded city receipts to confirmed payment amounts obtained from city governments. Also review the list of city receipts for completeness.

Finding -

Recorded city receipts agreed with confirmations and the list of city receipts appeared complete.



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3. Procedure -

Compare the budgeted statutory contribution by fiscal court to the legally required amounts calculated by the Department of Revenue. Trace the fiscal court payments from the fiscal court statutory contribution budget account to the PVA's local bank account.

Finding -

The fiscal court budgeted the appropriate statutory contribution as required by the Revenue Cabinet and made payments to the Property Valuation Administrator. The PVA deposited the statutory contribution payments to the local official bank account.

4. Procedure -

Judgmentally select 15 disbursements from PVA records and agree amounts to cancelled checks, paid invoices or other supporting documentation. Determine if the expenditure is for official business. Review all credit card statements (if any) to determine if expenditures are for official business.

Finding -

Selected disbursements had proper supporting documentation and all were for official business. The PVA office has no credit cards.

5. Procedure -

Compare capital outlay disbursements with cancelled checks, supporting documentation, and proper purchasing procedures. Verify the location of newly acquired assets. Determine if assets were added to the PVA's Capital Asset Inventory List.

Finding -

No capital assets were purchased; therefore, this procedure could not be performed.

6. Procedure -

Scan vehicle lease agreements, personal service contracts, and professional service contracts for cost schedules and compare to actual payments. Determine if services received were appropriate, for official business, and properly authorized.

Finding -

Services received for vehicle lease agreements were appropriate, for official business, and properly authorized. The PVA did not have any personal service contracts or professional service contracts.

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7. Procedure -

Compare PVA's final budget to actual expenditures to determine if PVA overspent in any account series.

Finding -

The PVA overspent expenditure accounts 100 and 300, but did not overspend the budget. The PVA does not track actual expenditures versus budgeted expenditures to know if they have overspent the budget. We recommend the PVA monitor the budget expenditure accounts to insure the budget is not overspent.

PVA's Response - OK

8. Procedure -

Determine whether collateral is necessary for the PVA's funds. If necessary determine if the PVA was sufficiently collateralized for the year and if a collateral agreement exists.

Finding -

Collateral was not necessary for the Property Valuation Administrator's funds.

9. Procedure -

Determine whether timesheets are completed, maintained, and support hours worked.

Finding -

Timesheets are not properly maintained. The Payroll Clerk notes employee's absences on her calendar. The Payroll Clerk prepares a Leave and Overtime Authorization form for the employee. This form is not signed by the employee or approved in writing. We recommend that individual timesheets be prepared by each employee. The timesheets should be reviewed and approved by the PVA, or someone he designates. We also recommend that employees sign the leave and Overtime Authorization form. This form should also be reviewed and approved by the PVA or his designee.

PVA's Response - Will comply.

We were not engaged to, and did not perform an examination, the objective of which would be the expression of an opinion on the receipts and disbursements, including capital outlay disbursements, city government receipts, recordkeeping, and leases and contracts. Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

John R. Farris, Secretary, Finance and Administration Cabinet
The Honorable Randy Hall
Letcher County Property Valuation Administrator
(Continued)

This report is intended solely for the information and use of the PVA and the Department of Revenue and is not intended to be and should not be used by anyone other than these specified parties.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Crit Luallen", with a long horizontal flourish extending to the right.

Crit Luallen
Auditor of Public Accounts

Engagement fieldwork completed -
April 25, 2006

